

Proposition 1B Project Close-out Process

Table of Contents

Background	2
Close-out Process	2
Roles & Responsibilities	3
Final Delivery Report and Supplemental Final Delivery Report.....	3
Process Sequence	3
Final Delivery Report Contents	3
Supplemental Final Delivery Report Contents	4
Delivery Report Template.....	4
Segmented Projects.....	4
Audits	4
Process Sequence	4
Audit Procedures and Content	4

Background

Proposition 1B enacted by a vote of the people of California on November 7, 2006, authorized the issuance of \$19.925 billion in State general obligation bonds for specific transportation programs. Following voter approval of the bond program, then Governor Schwarzenegger signed Executive Order S-02-07 dated January 24, 2007 that lays out a three part accountability plan¹ to provide the public with readily accessible information about how the bonds they approved are being spent.

In summary the three parts are:

1. Front-End Accountability
2. In-Progress Accountability
3. Follow-Up Accountability

The Commission adopted a series of policies and guidelines, and the ongoing departmental quarterly reports and accountability website largely meet the first two parts. The subject of this document which describes the project close-out process is related to the third requirement, follow-up accountability. The purpose of follow-up accountability is to demonstrate that the bond expenditures:

- Were made according to the established front-end criteria and processes.
- Were consistent with all legal requirements.
- Achieved the intended outcomes.

Close-out Process

The Commissions October 26, 2006 Accountability Implementation Plan² calls for a final delivery report within six months of the project becoming operable. Operable is further defined as the end of the construction phase when the construction contract is accepted.

It is expected that the close-out process to be followed will be consistent with existing processes now in place for ongoing transportation programs. In general the close-out process can contain up to four significant deliverables as shown below.

1. Within six months of project becoming operable the Final Delivery Report (FDR) will be completed, reviewed and uploaded to the On-Line Data Input System (ODIS).
2. If chosen for audit, a Semi-Final Audit Report will be completed within six months of the Final Delivery Report. The completed audit will be uploaded to ODIS.
3. A Supplemental Final Delivery Report (SFDR) is completed to reflect final project expenditures at the conclusion of all project activities. This report is then reviewed and uploaded to ODIS.
4. If needed, a Final Audit Report is prepared and uploaded to ODIS within six months of project completion.

¹ http://www.catc.ca.gov/1baccount/EO_S-02-07.pdf

² http://www.catc.ca.gov/1baccount/Accountability_Implementation_Plan.pdf

Roles and Responsibilities

- **Transportation Programming.** Develops guidelines and procedures. Communicates policy.
- **Project Sponsor/Project Manager.** Completes and submits the Final Delivery Report and Supplemental Final Delivery Reports consistent with applicable requirements and timelines.
- **Program Coordinator.** Receives completed Final, and Supplemental Final Delivery Reports. Makes findings of completeness and ensures the proper documents are uploaded to the bond accountability website.
- **Department of Transportation Audits and Investigations.** Develops the annual audit plan and conducts and prepares Semi-Final and Final Audit Reports as necessary. Ensures that these audit documents are properly uploaded to the bond accountability website.

Final Delivery Report and Supplemental Final Delivery Report

Process Sequence

The Project Manager / agency sponsor will prepare the Final Delivery Report and upload a pdf file of the report to the On-Line Data Input System (ODIS). Final Delivery Reports are due to the Program Coordinator within 6 months of the project becoming operable.

Program Coordinators will review the report and provide comments back to the project manager/sponsor as necessary. After final review and approval the Program Coordinator will “accept” the FDR in ODIS and migrate it to the staging site. The Program Coordinator will also update the Quarterly Report to reflect current status of the project closeout.

Upon approval of the FDR/SFDR the Project Manager / sponsor will forward a copy of the report to Audits & Investigations, Attn: Douglas Gibson and to Bimla Rhinehart, Executive Director, the California Transportation Commission, Attention: Maura Twomey.

The Supplemental Final Delivery Report is due within six months of the completion of the project which occurs at the conclusion of all project activities and acceptance of the contract. The SFDR will follow the same submittal procedures as the FDR.

Final Delivery Report Contents

The final report for all projects will compare the scope, schedule, cost and benefits of the project as outlined in the project’s baseline agreement with the project as actually delivered. In addition all reports should identify and discuss:

- Timing, reasons and resolutions of any variances from the baseline agreement that occurred during the life of the project
- Approved changes that were made during the life of the project
- Risk mitigation strategies used for complex projects
- Best practices and “lessons learned”

Each bond program (TLSP, CMIA, SLPP, etc) will have information that reflects the degree of attainment of the specific intents of the program. For example TLSP projects

will report pre and post project measurements for traffic, accident rates, public perception and air quality. The actual changes will be compared to those in the original project description.

Supplemental Final Delivery Report Contents

The SFDR will update changes from the FDR and will report final project expenditures at the conclusion of all project activities.

Delivery Report Template

At a minimum the delivery report shall contain the scope of the completed project, its final cost, duration, and performance outcomes/benefits as compared to the baseline agreements. Each program may customize the report to meet mission requirements. See attachments 1-3 for examples.

Segmented Projects

For projects that are delivered in segments you will provide a summary FDR and SFDR after the final segment is delivered. It is recommended that the program retain draft delivery reports for each segment to roll up in the summary FDR/SFDR.

Audits

Process Sequence

Projects should be ready for audit within 6 months of becoming operable. Audits and Investigations (A&I) will confirm construction start and end dates with the Project Manager and monitor project completion dates to determine audit due dates.

A Semi-final audit report is due within six months after completion of the Final Delivery Report.

The Final Audit Report is due 6 months after completion of the Supplemental Final Delivery report.

Audit Procedures and Content

The audit procedures are outlined in the “Department of Transportation Audits and Investigations (A&I) Proposition 1 B AUDIT PLAN FY 2009-10.”

The audit plan lists projects anticipated for auditing in FY 09-10. In addition A&I has released a list of projects anticipated to be audited in FY 10-11. (Note: A&I will release a draft schedule for the coming FY in January based on current approved project delivery dates. Program managers will confirm schedules with CT Districts/sponsor agencies prior to A&I finalizing schedule.)

Completed audit results will be saved and uploaded as a pdf file to the On-Line Data Input System (ODIS) by A&I. The Program Coordinator will accept these changes quarterly.